



PRESS RELEASE

R.J. Reynolds Agrees to Terminate Marketing Campaign and Pay \$150,000 to the State of Maryland

Maryland is First State to Reach Settlement Ending “Camel Farm” Campaign

BALTIMORE, MD (January 27, 2010) - Attorney General Douglas F. Gansler today announced the settlement of his lawsuit against R.J. Reynolds Tobacco Company (Reynolds) over the Camel Farm marketing campaign’s alleged use of cartoons and brand name merchandise in violation of the 1998 Tobacco Master Settlement Agreement (MSA) and Consent Decree. In addition to ending the campaign and substantially restricting its marketing practices across all Reynolds’ brands of tobacco products, the company agreed to pay \$150,000 to the State of Maryland.

“In its Camel Farm campaign, Reynolds turned a blind eye to its obligations under the MSA to never again use cartoons or to give away branded trinkets to promote its deadly products in Maryland,” said Attorney General Gansler. “These dangerous tobacco industry tactics sabotage efforts by public health professionals, doctors, parents and educators to prevent smoking among youth and young adults. This settlement holds Reynolds accountable for bringing the Camel Farm campaign to Maryland in the first place and, by specifying and clarifying the MSA’s restrictions on cartoons and giveaways, prevents Reynolds from evading these important protections in the future.”

The 1998 MSA expressly prohibits Reynolds from using cartoons or distributing brand name merchandise to promote its cigarettes. Maryland is one of nine states that filed actions against Reynolds in December 2007 challenging the marketing tactics employed in a campaign that promoted Camel cigarettes to young adults through support of so-called “Indie Rock” and “Independent Record Label” bands and their music. To date, Maryland is the only state to have reached a settlement resulting in the termination of Reynolds’ Camel Farm marketing campaign.

“Maryland’s settlement with Reynolds is one of several efforts by many States, including parallel litigation brought by the Attorneys General of California, Connecticut, Illinois, Maine, New York, Ohio, Pennsylvania and Washington, to monitor and enforce the life-saving concessions we won in the 1998 MSA,” said Attorney General Gansler. “Big Tobacco requires big enforcement by the States.”

Under Maryland’s settlement, Reynolds must:

- Terminate the Camel Farm program;

- Never again distribute any of the marketing materials created in connection with the campaign including the images that the Attorney General alleged were cartoons, such as flying radios, jet engine tractors, and plants growing into televisions and speakers;
- In all future magazine and newspaper ad placements, notify the publisher about the MSA cartoon ban and prohibit placement of Reynolds ads next to or opposite a cartoon, subject to full refund of ad costs for non-compliance by the publisher;
- In future mailings or hand-outs, no longer include branded materials likely to be used or retained with merchandise;
- Provide all employees and third parties who work on marketing to be used in Maryland a copy of the settlement agreement; and,
- Pay \$150,000 to the State of Maryland.